

Finance Committee Agenda

June 17-18, 1999

To print this document:

1. Click on your print icon to print this main body of the agenda.
2. Click on each Item number that is boxed and shaded on the Table of Contents. Clicking on the Item number will link you to a “master link” page(s) for that Item number.
3. If an Item number is not boxed and shaded on the Table of Contents, the entire text for that Item is in this main body of the agenda (no links).
4. Use the page numbers at the bottom of each page to collate your hard copy linked documents into your hard copy main agenda document.
5. Page numbers for each Item are as follows:

Item 1	1.1 - 1.10
Item 2	2.1 - 2.50
Item 3	3.1 - 3.12 (there are no pages 3.5 - 3.6)
Item 4	4.1 - 4.2
Item 5	5.1 - 5.2
Item 6	6.1 - 6.2
Item 7	7.1 - 7.92 (there are no pages 7.41 - 7.50)
Item 8	8.1 - 8.2
Item 9	9.1 - 9.4
Item 10	10 - 10.148
Item 11	11.1 - 11.4
Item 12	12.1 - 12.2
Item 13	13.1 - 13.2

Finance Committee Agenda

June 17-18, 1999

University of Idaho

Moscow, ID

TABLE OF CONTENTS

Item	Action	Description	Page
1	COMMITTEE ACTION	Approval of April 15, 1999 Committee Minutes	1.1
2	BOARD ACTION	Institutional/Agency Routine Agenda Items	2.1
	2.a	BSU	2.3
	2.b	ISU	2.5
	2.c	UI	2.7
	2.d	LCSC	2.23
	2.e	Office of the State Board of Education	2.27
	2.f	Idaho School for the Deaf and the Blind	2.31
	2.g	Vocational Education	2.35
	2.h	Vocational Rehabilitation	2.43
	2.i	Idaho Educational Public Broadcasting System	2.45
	2.j	Idaho Historical Society	2.47
	2.k	Idaho State Library	2.49
3	BOARD ACTION	Institutional/Agency Nonroutine Agenda Items	
	3.1	UI - 4.8.3 Financing Package-FY2000 Inst. Capital Plan	3.1
	3.2	UI - 5.5.3 Outreach - Acquisition of Ida-Ore Facility and Land, Caldwell, Idaho	3.7
	3.3	BSU - 4.81 Refunding 1994 Student Fee Revenue Bonds .	3.9
	3.4	BSU - 4.83 Approval of PeopleSoft Financing Agrmnt. . .	3.11
4	BOARD ACTION	FY2000 Allocation of ICTL funds	4.1
5	BOARD ACTION	FY2000 Allocation of Governor's C&U Excellence Initiative funds	5.1
6	BOARD ACTION	FY2000 Allocation of Comprehensive Literacy Act funds .	6.1
7	BOARD ACTION	Approval of FY2000 Operating Budgets for C & U	7.1
8	BOARD ACTION	Renew Audit Contract with Deloitte & Touche LLP	8.1
9	BOARD ACTION	Intercollegiate Athletics - Revenue	9.1
10	BOARD ACTION	FY2001 Budget Request - Enhancement Requests	10
11	BOARD ACTION	Status Report-the Use of Increased Nonresident Fee Waivers	11.1
12	DISCUSSION ITEM	Y2K Status Report	12.1
13	INFORMATION ITEM	Increase to LCSC Multi-Purpose Campus Activity Center Budget .	13.1

Finance Committee Agenda

June 17-18, 1999

This page intentionally blank.

Finance Committee Agenda

June 17-18, 1999

Action Item

ITEM #1

SUBJECT:

Approval of Finance Committee Minutes

BACKGROUND:

The minutes from the April 15, 1999 Finance Committee meeting are attached.

DISCUSSION:

NA

FISCAL IMPACT:

NA

STAFF RECOMMENDATIONS:

Review, make necessary corrections, and approve minutes.

COMMITTEE ACTION:

A motion to approve the minutes of the Finance Committee Meeting, held April 15, 1999, at Eastern Idaho Technical College.

Moved by_____, Seconded by_____, Carried, Yes___No___

BOARD ACTION:

No action required.

Finance Committee Agenda

June 17-18, 1999

This page intentionally blank.

Finance Committee Agenda

June 17-18, 1999

ITEM 1.a.1

Unapproved Minutes

State Board of Education Finance Committee

April 15, 1999

Eastern Idaho Technical College, ADC Bldg #522, Idaho Falls, ID

Present:

Jerry Hess, Chair
Curtis Eaton
Keith Hasselquist, OSBE
Harry E. Neel, Jr., BSU
Brent Winiger, BSU
Robert Pearce, ISU
Leo Herrman, ISU
Jerry Wallace, UI
Larry Branen, UI

Dean Froehlich, LCSC
Kirk Dennis, SDVE
Bill Robertson, EITC
Phillip Kottraba, IEPBS
Michael Quinn, ASBSU
Mahmood Sheikh, ASUI
Beau Bly, ASUI
Mike Willits, ASISU
Dennis Rice, LCSC

Jennifer Attebery, ISU
Todd Bunderson, LSO
Ross Borden, LSO
Randi McDermott, OSBE
Kevin Satterlee, OSBE
Jeff Shinn, Gov Office
Barry Thompson, Voc Rehab
Jerry Pelton, SDE
Joe Barrows, Bigelow & Co

The meeting was called to order at 1:00 p.m.

Mr. Hess directed participants to the March discussion on fee waivers for capacity. He recognized that the Board acted on the issue as presented in March, but wanted to clear up some questions that arose at that time. He clarified that in the minutes of September 1998, when the issue originated, the Board had directed the President's Council to look at capacity for information technology programs only. One Board member thought it should be broadened to other areas with excess capacity, but the direction from the full Board was for information technology only. He concluded by expressing interest in the reports coming in June and September to address this issue.

ITEM #1 Approval of the March 1999 Finance Committee Minutes

There was general consensus to approve the minutes of the Finance Committee Meeting held March 18, 1999 at Boise State University as written.

ITEM #2 Routine Agenda Items

Clarification was provided for Item 2.b.1 regarding ISU's request for an increased project budget for the student union building in Idaho Falls. Dr. Pearce explained that the bond will stay at \$3,850,000, but that the project scope will increase by \$400,000 due to the cost of furnishings needed for the project. The \$400,000 will come from dedicated student fee revenues and gift monies. There are no new student fees associated with this amount. The project scope total becomes \$4,250,000, giving them the 10% of non bond funds needed to be in compliance with the law related to private use.

Clarification was provided for Item 2.c.1 regarding UI's upgrading of their computing network infrastructure. Mr. Wallace explained that the \$500,000 for the equipment and associated services will come from;

\$100,000 dedicated from the student technology fee,

\$100,000 gift from CISCO,

\$100,000 gift from 3-Com, and

\$200,000 from a reserve for the telecommunications network developed by telephone rate charges.

Finance Committee Agenda

June 17-18, 1999

April 15, 1999 Unapproved Finance Committee Minutes (cont.)

ITEM 1.a.2

M/S/C(Eaton/Hess): To recommend to the Board the approval of all institutional/agency routine agenda items except Item 2.d.2 (LCSC property purchase).

Mr. Hess approved taking Item 2.d.2 to the full Board with a recommendation to approve. Mr. Eaton abstained from voting on Item 2.d.2.

NON-ROUTINE ACTION ITEMS

ITEM #3.1 - Division of Vocational Education Appropriation

The Legislature appropriated to the State Board for Vocational Education funds for four designated programs; State Leadership and Technical Assistance, General Programs, Postsecondary Programs and Underprepared Adults/Displaced Homemakers. The Division of Vocational Education requests approval of the allocation of the FY00 appropriated funds. The allocation is based on the appropriation bills, the state plan for Vocational Education and the budget request. The postsecondary program allocation provides funds to the six Technology Colleges. Operating budgets for FY00, totaling \$46,380,500 will be established. Funding increased by 7.3% in total.

M/S/C (Eaton / Hess): To recommend to the Board approval of the requested FY00 allocation of appropriated funds for Vocational Education.

ITEM #3.2 - Boise State University - Approval of PeopleSoft Financing Agreement

Boise State University requested approval to enter into a line-of-credit agreement with PeopleSoft, USA, Inc. to fund up to \$4,800,000 in future enhancement implementation and prepaid maintenance support at an annual rate of 5.25% over a five-year period. Boise State University received approval from the State Board of Education in June 1997 to purchase the PeopleSoft product. The implementation of the various modules, which includes Financial, Human Resources/Payroll, Student Services, and Advancement, has proceeded within the established timetable.

Debt service for this financing is derived from sources already designated for this project, including operational savings within the Office of Information Technology, student technology fee revenue and various local fund sources. By prepaying the maintenance support, Boise State University locks into today's rates and avoids the anticipated 10% annual rate increase over the next five years and takes advantage of other prepaid discounts. No student fee increases are required.

Mr. Hess instructed BSU to do their best in looking ahead and to come back to the Board with some type of anticipated end result for capital improvements and software.

Mr. Eaton requested that BSU put in a chart the aspects and dollars that the Board has already approved for this project along with newly requested aspects. He also inquired as to how critical it is to have the Board approve this now rather than next month. Mr. Neal explained that the

Finance Committee Agenda

June 17-18, 1999

April 15, 1999 Unapproved Finance Committee Minutes (cont.)

ITEM 1.a.3

maintenance could be prepaid, the software purchased and training of users begun, but that BSU would not be precluded from doing this if the Board waits until next meeting to approve it.

Mr. Neal also explained the assurance they have received in relation to the 10% discount for prepayment and expressed no anxiety over PeopleSoft Inc. living up to it.

M/S/C (Eaton / Hess): To recommend to the Board approval of the request from Boise State University to enter into a line-of-credit agreement with PeopleSoft, USA, Inc. to fund up to \$4,800,000 in future enhancement implementation and prepaid maintenance support at an annual rate of 5.25% over a five-year period.

ITEM #3.3 - Boise State University - Approval of Substitution of Debt Service Reserve Surety Bond for Assets

Boise State University requested approval to substitute a Debt Service Reserve Surety Bond for assets currently held in the Debt Service Reserve Fund for bonds issued by the University in 1996 and 1998, secured by the Student Facilities Fee and the Student Recreation Center Fee.

In April 1998, Boise State University issued \$24,060,000 Student Fee Bonds to fund three projects, including the construction of a new parking structure on campus. As design plans are being finalized, the University has determined that it would be economical and advantageous to expand the structure by an additional level beyond its initial design.

The additional cost for the enlarged parking structure is estimated to be \$1,150,000, and the cost of the development of the surface lot is expected to be \$300,000. Rather than issue additional bonding for these projects, Boise State proposes that the funding be derived from freeing up reserve funds now held by the Trustee. The current Debt Service Reserve Fund balance totals \$2,985,000. Of this amount, \$1.45 million will be used for the projects, and the remainder will be applied to pay debt service as interest and principal come due. The cost of the purchase of a Reserve Fund Surety Bond is \$67,500. No additional student fees are required under this plan, and no appropriated monies are being utilized.

Mr. Hess explained his original concern over why, with funds already in reserve, you would pay \$67,500 for an insurance policy. He was assured that the purpose is simply to plan for future unanticipated needs and circumstances.

There was discussion on this being a new way to bond and inquiry as to how it differs from existing practice. Joe Barrows explained that rather than having a cash reserve that has to be reinvested with caps on the reinvestments, there is a triple-A rated insurance policy that stands ready to make the payment if the debt is ever called. This eliminates the need to keep reinvestment rates high. He concluded that funds are still immediately available.

Mr. Satterlee explained that surety bonds are not something that Board or institutions have really used in the past, but that other public entities in the state have. Additionally, the remaining funds

Finance Committee Agenda

June 17-18, 1999

April 15, 1999 Unapproved Finance Committee Minutes (cont.)

ITEM 1.a.4

identified that are not going towards the parking structure will be used to make an annual payment on the bonds, allowing any student fees that would have been used to make the bond payment available to be invested for future use.

An inquiry was made as to whether the insurance company would take recourse against the institution in the event of default. It was explained by Mr. Barrows that the recourse would flow to the same source of revenues that the bond holder has.

M/S/C (Eaton / Hess): To recommend to the Board approval of the request from Boise State University to substitute a Debt Service Reserve Surety Bond for assets currently held in the Debt Service Reserve Fund for bonds issued by the University in 1996 and 1998, secured by the Student Facilities Fee and the Student Recreation Center Fee.

ITEM #3.4 - Boise State University - Change Order Approval

Boise State University requests approval to increase its parking garage project by \$1.15 million in order to add one additional deck to the garage, making it a total of four levels with a total projected cost of \$5,650,000, subject to the results of a formal bid process. The \$1.15 million cost of this additional level will be funded from general parking revenue anticipated over the next five years. No general fund monies are involved, and no student fee increases are required.

M/S/C (Hess / Eaton): To recommend to the Board approval of the request from Boise State University to increase its parking garage project by \$1.15 million in order to add one additional deck to the garage, making it a total of four levels with a total projected cost of \$5,650,000, subject to the results of a formal bid process.

ITEM #3.5 - Idaho State University

Idaho State University recommends, pursuant to Board policy, to name a state-of-the-art communication laboratory the "G. Nicholas and Sara Ifft Speech Communication Laboratory." This is in honor and recognition of the Ifft's active support and generous donations in the area of speech communication education. The Ifft's gift, in excess of \$490,000, will found the laboratory, as well as four classrooms which will benefit virtually all ISU students and will provide support for academic scholarships. The Ifft's gift also includes \$60,000 support for the Ifft Leadership Scholarship Endowment, which funds two or more two-year full fee scholarships to Pocatello School District high school graduates who show exceptional leadership qualities, but who might not otherwise receive scholarships based on academic performance. In recognition of the Ifft's continuing support of Idaho State University, the University strongly encourages the adoption of this recommendation

M/S/C (Eaton / Hess): To recommend to the Board approval of the request from Idaho State University to name a state-of-the-art communication laboratory the "G. Nicholas and Sara Ifft Speech Communication Laboratory."

Finance Committee Agenda

June 17-18, 1999

April 15, 1999 Unapproved Finance Committee Minutes (cont.)

ITEM 1.a.5

ITEM #3.6 - University of Idaho - Kibbie Center East End Renovation Planning

UI requests approval to select and retain architects, engineers and other consultants, paid with donated funds, to prepare planning and design documents for renovation of and addition to the east end of the ASUI Kibbie Activity Center. The UI capital budget plan to be presented in June 1999 includes a project for renovation of the Kibbie Center to add space and to renovate parts of the existing east end support spaces for the ASUI Kibbie Activity Center. The "pre-planning" estimated total cost of this project is \$10,000,000, most of which is expected to be provided from donated funds specifically raised in support of this project. A small portion of the project, less than 30%, is being addressed by using funding from the Kibbie facility repair and replacement and debt service structure to support planned modifications to the facility in support of its multiple uses. The cost for these architectural, engineering, and other consulting services is estimated to be \$500,000 (5% of the total project). The source of funds is private donations and existing student fees. Mr. Wallace assured the members that there are no state funds involved in this project. He explained that the university has the end in sight on this project, and this aspect will help assure that the cost estimates thus far are realistic. He concluded that construction would begin once the funds are available.

M/S/C (Eaton / Hess): To recommend to the Board approval of the request from University of Idaho to select and retain architects, engineers and other consultants, paid with donated funds, to prepare planning and design documents for renovation of and addition to the east end of the ASUI Kibbie Activity Center.

ITEM #3.7 - University of Idaho - Naming of College of Law Distance Learning Room

UI requests approval to name the College of Law Distance Learning Room in honor of Dennis E. and Jacqueline R. Wheeler. The program is currently in temporary quarters within the Albert R. Menard College of Law building. Dennis and Jacqueline Wheeler have contributed substantial funding to the University in support of this program. The donation will be applied toward renovation of Room 215 in the College of Law building, resulting in a 1,500 square foot state-of-the-art facility. Dennis Wheeler is a 1966 graduate of the UI College of Business and Economics, a 1967 graduate of the UI College of Law, a former Regent and a 1998 inductee of the University of Idaho Hall of Fame. He currently serves as President and Chief Executive Officer of Coeur d'Alene Mines Corp.

M/S/C (Eaton / Hess): To recommend to the Board approval of the request from University of Idaho to name the College of Law Distance Learning Room in honor of Dennis E. and Jacqueline R. Wheeler.

ITEM #3.8 - University of Idaho - Acceptance of Land Ownership Transfer at UI Research Park at Post Falls

Jacklin Land Company has announced intentions to give several additional parcels of land at the Riverbend site to the UI Foundation. One such parcel is the four acres selected for the site of the first UI Research Park building. This specific gift to the UI Foundation is expected to be complete by the end of May 1999. To satisfy federal grant funding requirements, the UI Foundation will

Finance Committee Agenda

June 17-18, 1999

April 15, 1999 Unapproved Finance Committee Minutes (cont.)

ITEM 1.a.6

transfer ownership of the parcel to the University following receipt of the gift from Jacklin Land Company. The FY2000 UI Capital Plan includes this facility project of approximately 20,000 square feet to be constructed with federally funded grants. Construction of the building is scheduled to begin on approximately July 15, 1999. The land is being provided by this additional gift from the Jacklin Land Company, facility construction costs will be provided by federal grants specifically intended for this purpose, and the facility operating costs will be the responsibility of the University of Idaho Research Park enterprise supported by funding generated by the facility.

M/S/C (Eaton / Hess): To recommend to the Board approval of the request from University of Idaho to accept a transfer of ownership of approximately four acres of land from the University of Idaho Foundation (UIF) for development of the first facility in the University of Idaho Research Park (UIRP) at Post Falls.

ITEM #3.9 - Joint Idaho State University/University of Idaho - Idaho Falls Student Union Building Ground Lease & Access and Utility Agreement

Authorization for the University of Idaho Vice President for Finance and Administration and the Idaho State University Vice President for Financial Services to execute a lease with the University of Idaho Foundation Inc. for undeveloped land at University Place in Idaho Falls for the siting and construction of a student union building was requested. Authorization is also requested for the Vice Presidents to enter into an agreement with the University of Idaho Foundation covering access to the site, utilities, parking, and use of common areas. ISU and the UI have been working together with the Idaho Division of Public Works to prepare construction plans for the project. The new building will be optimally located to serve the entire student population at University Place in Idaho Falls. A joint discussion of the universities regarding a "master plan" for siting of the student union building suggests this particular location because it is a central location that will provide good service to the existing facilities and will be well situated in support of planned additional facilities at the site. Approval by the University of Idaho Foundation, Inc. in support of this request has already been provided.

M/S/C (Eaton / Hess): To recommend to the Board approval of the request from University of Idaho Vice President for Finance and Administration and the Idaho State University Vice President for Financial Services to execute a lease with the University of Idaho Foundation Inc. for undeveloped land at University Place in Idaho Falls for the siting and construction of a student union building. Authorization is also requested for the Vice Presidents to enter into an agreement with the University of Idaho Foundation covering access to the site, utilities, parking, and use of common areas.

ITEM #4 - FY2000 College & Universities Allocation

Senate Bill No. 1273 appropriates \$269,408,500 to the State Board of Education and the Board of Regents monies for the general education programs at BSU, ISU, LCSC, UI and OSBE for FY00. Legislative intent limits the amount to be used by OSBE (\$75,000), establishes the amount to be expended for research (\$1,600,000), establishes amount to be spent for competitive technology grants and for participation in the WGU (\$1,750,000) and expresses intent on coordination with the

Finance Committee Agenda

June 17-18, 1999

April 15, 1999 Unapproved Finance Committee Minutes (cont.)

ITEM 1.a.7

State Council for Technology in Learning. Additionally, appropriations were made for the teacher preparation activities associated with Idaho's Comprehensive Literacy Act (\$500,000) and for the College and University Excellence Initiative (\$1,300,000). The allocation for these two items are yet to be determined. Item 4.d represents the recommended allocation for FY2000 for the Lewis Clark State College and the universities, and is in accordance with Board policy. The allocation for the Excellence and Comprehensive Literacy enhancements will be presented to the Board at a later date. It was noted that the student fee revenue identified in the recommended allocation reflects current levels and would change if the Board approves the proposed fee increases.

M/S/C (Hess / Eaton): To recommend to the Board the FY2000 allocation as presented in Item 4.

ITEM #5 - FY00 Community College Allocation

Senate Bill No.1272 appropriates to the State Board of Education monies for Community College Support. There is no legislative intent attached to the bill. Based on the agreement by the presidents of the two colleges, the funds are allocated equally to the two colleges. Each college will be allocated \$7,180,900 for FY00.

M/S/C (Eaton / Hess): To recommend to the Board the FY00 allocation of community college support.

ITEM #6 - Approval of FY2000 Salary Guidelines

The Governor annually recommends a salary policy for state employees as part of the Budget Address. The legislature did not act on them, which means his recommendation then becomes the salary policy. The Division of Financial Management provided a guidance memorandum concerning CEC plans (Item 6.a). JFAC provided operating funds for an average 3% salary increase for FY2000.

Item 6.b provides the FY2000 salary guidelines for Board entities. These guidelines are established to provide the salary policy for the next fiscal year mainly for the nonclassified employees. The guidelines will permit increases above the 3% level for promotions and equity issues, based on the availability of funds, according to individual agency/institutional salary plans.

M/S/C (Eaton / Hess): To recommend to the Board the approval of the FY2000 Salary Guidelines as presented in Item 6.b.

ITEM #7 - Student Fee and Tuition Rates for FY2000

Section V.R. (Item 7.a) contains the Board policy on defining fees and the establishment of fees. BSU, ISU, UI, LCSC and EITC have notified students of proposed fee increases, have conducted public hearings and recommend to the Board the student fee and tuition rates for FY2000.

There was general consensus to forward this item to the full Board for consideration.

Finance Committee Agenda

June 17-18, 1999

April 15, 1999 Unapproved Finance Committee Minutes (cont.)

ITEM 1.a.8

ITEM #8 - State of Idaho Scholarship Monetary Value

Currently, the amount of the award for the State of Idaho Scholarship is \$2,750 per year renewable for up to four (4) years. This is an amount comparative to other states' awards and grants. The 1999 Legislature did not appropriate an increase in the amount of funding for this program over the last two years funding.

M/S/C (Hess / Eaton): To recommend to the Board to approve an award amount of \$2,750 per year for the State of Idaho Scholarship for the academic year 1999-2000.

ITEM #9 - Y2K Status Report

The Finance Committee expressed interest in understanding the compliance measures taken by the institutions to ensure a smooth transition to the year 2000. It was decided that since the Department of Administration is already surveying agencies and institutions on steps taken, the Committee would wait for their report to avoid duplication of efforts.

The meeting was adjourned at 2:20 pm.

Finance Committee Agenda

June 17-18, 1999

Routine Action Item

ITEM #2

SUBJECT:

Institutional/Agency Routine Agendas

SUMMARY OF ROUTINE AGENDA ITEMS (See following pages for detail):

2.a Boise State University

- 4.6 Acceptance of Gifts and Bequests-Teradyne J995 Memory Test System
- 4.82 Establishment of JazzWorks LLC in partnership with Duquesne University
- 5.42 Change Order Approval-Continuing Education/Outreach Training Ctr.
- 5.51 Purchase of Property at 1014 Lincoln Avenue, Boise, Idaho

2.b Idaho State University

- 4.21 Purchase of a Scanning Electron Microscope
- 8.1 Information Item - Student Health Insurance Fee

2c University of Idaho

- 4.8.1 Contract with KIVI-TV for Athletic Broadcast Rights
- 4.8.2 Academic License Agreement for Purchase of Novell Software Products
- 5.5.1 Campus Development - Acquisition of Land in S. Moscow, E. of Hghwy 95
- 5.5.2 Campus Development - Acquisition of area next to the University Arboretum
- 5.10.1 Outreach - Lease of Space for Architectural Study Program in Boise
- 5.10.2 Outreach - Expansion of UI Boise Center Lease at M-K Plaza for Engineering Program
- 5.10.3 Outreach - Lease of Forestry Summer Camp Site Near McCall from Idaho Dept. of Lands
- 5.10.4 Campus Space Needs - Lease of Space in Moscow for Dept. of Art and for University Storage
- 5.10.5 Ag Farm Operations - Lease of Land from Indian Hills Trading Company in Moscow for Forage Production
- 5.10.6 Infrastructure - Right-of-Way Deed Grant and Perpetual Easement at the Sandpoint Research and Extension Center for Road Widening Project
- 8.1 Information Item - Student Accident and Health Insurance
- 8.2 Information Item - Employee Medical/Dental Insurance

2d Lewis-Clark State College

- 4.2.1 Library Automation System Upgrade
- 5.51 Acquisition of Property - 909 6th St.
- 5.52 Acquisition of Property -1014 4th St.

2e Office of the State Board of Education

- 4.1.1 Approval of FY00 Operating Budget - Administration and System-wide Needs
- 4.1.2 Approval of FY00 Operating Budget - Research
- 4.1.3 Approval of FY00 Operating Budget - Learning Technology
- 4.1.4 Approval of FY00 Operating Budget - State Council for Technology in Learning
- 4.1.5 Approval of FY00 Operating Budget - Teacher Preparation
- 4.1.6 Approval of FY00 Operating Budget - Excellence Initiative
- 4.1.7 Approval of FY00 Operating Budget - Special Programs/Health Programs

Finance Committee Agenda

June 17-18, 1999

Action Item

ITEM #2

SUBJECT:

Page 2 of 2

Institutional/Agency Consent Agendas (cont.)

2f Idaho School for the Deaf and the Blind

4.1 Approval of FY00 Operating Budget

4.9 Information Item - Audits and Financial Reports, Student Activity Funds

2g Division of Vocational Education

4.1. Approval of FY00 Operating Budget and Budget Transfers

2h Division of Vocational Rehabilitation

4.1 Approval of FY00 Operating Budget

2i Idaho Educational Public Broadcasting System

4.1 Approval of FY00 Operating Budget

2j Idaho State Historical Society

4.1 Approval of FY00 Operating Budget

2k Idaho State Library

4.1 Approval of FY00 Operating Budget

DISCUSSION:

The agencies FY00 operating budgets comply with the intent of the legislature. In most cases, these are line item budgets that allow limited flexibility. Review routine agenda and move items to nonroutine agenda, if appropriate.

STAFF RECOMMENDATION:

Approve routine agenda.

COMMITTEE ACTION:

A motion to recommend to the Board the approval of the institutional/agency routine agendas.

Moved by_____, Seconded by_____, Carried, Yes___No___

BOARD ACTION:

A motion to approve the routine finance agenda items for Boise State University, Idaho State University, University of Idaho, Lewis Clark State College, Office of the State Board of Education, Idaho School for the Deaf and the Blind, Division of Vocational Education, Division of Vocational Rehabilitation, Idaho Educational Public Broadcasting System, Idaho State Historical Society, and the Idaho State Library.

Moved by_____, Carried, Yes___No___

Finance Committee Agenda

June 17-18, 1999

Routine Action Items

ITEM #2.a.1

Boise State University

4.0 FINANCE COMMITTEE

4.6 Acceptance of Gifts and Bequests

Subject: Colleges of Engineering and Applied Technology requests approval to accept the donation of a Teradyne J995 Memory Test System.

Background: This system is in widespread use in testing and design verification of memory chips by companies such as Micron Technology. Micron personnel have encouraged us to educate our students about such systems.

Discussion: Teradyne Memory Test Division wishes to donate a Teradyne J995 Memory Test System, valued at \$650,000. This item will be used in microelectronics instruction and research programs in both colleges. Teradyne Field Service in Boise will provide maintenance support. Funding for this support will be provided under the Micron/Teradyne support agreement. Micron has agreed to allow Teradyne service engineers, provided under their contract with Teradyne, to perform the maintenance services on the item donated to and located at Boise State University. Given Boise State University may be the only educational institution in the United States with such capabilities, this system will significantly enhance our educational programs and lead to additional recognition and prominence for our microelectronic programs.

Fiscal Impact: No fiscal impact is anticipated.

4.82 Establishment of JazzWorks Limited Liability Company in partnership with Duquesne University.

Subject: To specify the understandings by which the Boise State University Foundation agreed to establish the JazzWorks Limited Liability Company in partnership with Duquesne University.

Background: Boise State University Radio and WDUQ, Pittsburgh (licensed to Duquesne University) have worked together to develop a new application for Internet technology to produce public radio programming. JazzWorks was created to test the suitability of this technology in developing a twenty-four hour, seven-day, national jazz radio service.

Discussion: The specific provisions of this agreement are: Boise State Radio agrees to maintain sufficient reserves in its Boise State University Foundation account to provide for continuation of the JazzWorks national program service for the remainder of its July 1 fiscal year, in the event the Limited Liability Company is unable to fulfill its programming obligations to its affiliate stations. The level of appropriate reserves shall be determined by the Boise State University Foundation Executive Director, in consultation with the President of Boise State University and the Boise State Radio General Manager. The Boise State Radio General Manager will provide regular reports to the Boise State University Foundation with regard to the fiscal and programmatic status of Boise

Finance Committee Agenda

June 17-18, 1999

Routine Action Items

ITEM #2.a.2

Boise State University (cont.)

State Radio. The memorandum of understanding is subject to the policies established by the Idaho State Board of Education and the Boise State University Foundation, and is subject to ratification by both parties.

Fiscal Impact: The Foundation has entered into a Limited Liability Partnership with Duquesne University to manage the project. In terms of initial fiscal impact, that partnership has been awarded a Corporation for Public Broadcasting grant in the amount of \$390,000.

5.0 PHYSICAL PLANT

5.4 Capital Construction Projects

5.42 Change Order Approval

Subject: Increase in funding for the Continuing Education/Outreach Training Center (DPW Project Number 99-203)

Background: This project was approved by the State Board of Education on September 18, 1997 with a project budget of \$630,000.

Discussion: The architects for the project, Cole and Associates, have completed the schematic design phase of the project. They have projected the total project costs, including fees and contingency funds, to be \$880,000. This puts the project at \$250,000 over the original budget of \$630,000, due to the expanded scope of the project.

Fiscal Impact: The University is willing to commit an additional \$250,000 of institutional funds to the project and is seeking Board approval for this budget increase.

5.5 Purchase or Sale of Land and Facilities

5.51 Purchase of Property at 1014 Lincoln Avenue., Boise, Idaho

Subject: Boise State University requests approval to purchase property located at 1014 Lincoln Avenue, appraised at \$130,000.

Background: Consistent with Boise State University's Campus Master Plan, this property is located in BSU's future expansion area, falls within our strategic planning goals, and meets the criteria for purchase acquisition.

Discussion: This property will be used to meet short-term student and event parking requirements.

Fiscal Impact: Request approval to purchase at appraised value.

Finance Committee Agenda

June 17-18, 1999

Routine Action Items

ITEM #2.b.1

Idaho State University

- 4.0 Financial Affairs
- 4.2 Purchase and Sale of Property and Equipment
- 4.21 Purchase of a Scanning Electron Microscope

Subject:

Idaho State University requests approval to purchase a Scanning Electron Microscope (SEM).

Background:

This instrument will be used by the Biology, Chemistry, Geology and Physics departments. A matching funds grant has been submitted to NFS EPSCoR. The purchase of this instrument depends on the matching funds. Therefore, should the grant not be accepted, ISU will not purchase the SEM.

Discussion:

In the event that the grant is accepted and due to time constraints of the grant, approval is requested to allow Idaho State University to proceed with the State Bid, as funds must be encumbered by August 16, 1999.

Fiscal Impact:

The estimated cost of the SEM is \$250,000. Half of this amount is to be funded by appropriated funds (divided among the departments which will be using the instrument). The balance will be from grant funds.

8.0 Other

8.1 Student Health Insurance Fee

Idaho State University's student health insurance carrier is Gallagher/Byerly, underwritten by Monumental/GM-SW. Effective for the Fall Semester, 1999, the premium for full-time students will increase from \$205.00 to \$213.00 per semester.

Finance Committee Agenda

June 17-18, 1999

This page intentionally blank.

Finance Committee Agenda

June 17-18, 1999

Routine Action Items

ITEM #2.d.1

Lewis-Clark State College

- 4.0 FINANCIAL MANAGEMENT
- 4.2 Sale and/or Purchase of Property and Equipment
- 4.2.1 Library Automation System Upgrade

Subject:

Request approval to purchase hardware, software and support for the purpose of upgrading the automated library system and network for the college library and the consortium-associated 40 libraries known as VALNet (the Valley Automated Library Network).

Background:

In 1986, Lewis-Clark State College, in cooperation and coordination with four other agencies, purchased a computerized library system to automate the college library and those of the other agencies in the consortium. The system included circulation, catalog, cataloging, acquisitions, and reserve modules. This system has been modified and expanded twice in the last decade to accommodate improved functionality and expanded membership as the consortium grew to 40 libraries including many school and small public facilities in north central Idaho and southeastern Washington. Full functionality is now extended to seventeen agencies in 40 locations with over 130 terminals in daily operation.

Discussion:

In this upgrade, Lewis-Clark State College, as the fiscal agent for the consortium, will upgrade a 13 year old system from a text-based system operating through a single central site processor and dumb terminals to a graphical based system operating in a client server environment. The upgrade will include expanded functionality for the public catalogs, circulation, cataloging, and acquisitions, and an added serials control module. It will move from a network of dedicated digital lines to a web-based network with improved ability to link with other systems in the state and nation using Z39.50 functionality. LCSC would like to begin implementation as soon as possible and has a targeted completion date of 4/1/00. Extensive grant resources are available through that date.

Finance Committee Agenda

June 17-18, 1999

Routine Action Items

ITEM #2.d.2

Lewis-Clark State College (cont.)

Fiscal Impact:

Total cost of the library automation upgrade will be approximately \$385,300 for the following specified elements:

Hardware	\$ 64,250
Software	265,000
RDBMS License	18,750
Data Migration	28,300
Training	9,000
	<hr/>
	\$385,300

All hardware, software, and training will be competitively bid in accordance with State of Idaho purchasing regulations. Funding sources for this upgrade come from a \$151,302 LSTA grant to the consortium, \$126,246 in currently accumulated fees from new member libraries and from continuing members who have requested increased service. The remaining \$107,752 will be paid with capital fees collected from the consortium membership over the next four fiscal years. The LCSC portion of the future capital fees will be \$23,211, paid from the library operating budgets during the next four fiscal years.

- 5.0 PHYSICAL PLANT
- 5.5 Purchase or Sale of Land and Facilities
- 5.51 Acquisition of Property

Subject

Board approval is requested for the college to purchase a piece of property.

Background

The Campus Master Plan indicates the long-range need for the college to acquire additional property near campus which will eventually be used for parking. The property listed below is immediately adjacent to the campus.

	<u>Appraisal Value</u>	<u>Purchase Price</u>
Property (909 6 th St.)	\$83,500	\$89,500

Finance Committee Agenda

June 17-18, 1999

Routine Action Items

ITEM #2.d.3

Lewis-Clark State College (cont.)

Because this property includes a three bedroom living unit, it will be incorporated into the Housing/Food Service auxiliary until such time that it can be converted into parking. Funds for the acquisition will be borrowed and repaid from the income generated from the rental and with funds from the Campus Activity Center project budget.

Discussion

Because of the College's more immediate need for replacement parking required by the upcoming construction of the Campus Activity Center, property owners have placed higher values on their property. Thus, the price of \$89,500 is above the market appraisal on this property. Initially the seller was asking \$94,000 for the property.

The college administration seeks authority to:

Complete the loan agreement, by using the First Security Loan Agreement approved by the Board in January 1999, for the purchase of the property. The loan amount will not exceed \$89,500.

Complete the purchase agreement for the property.

Authorization is also requested for the college Vice President for Administrative Services and Bursar to execute the loan and purchase agreement on behalf of the Board.

Fiscal Impact

The college will borrow the funds necessary for the purchase of the property and will repay the loan with the revenue from the rental of the house and with funds from the Campus Activity Center project budget.

5.52 Acquisition of Property

Subject

Board approval is requested for the college to purchase a piece of property.

Finance Committee Agenda

June 17-18, 1999

Routine Action Items

ITEM #2.d.4

Lewis-Clark State College (cont.)

Background

The Campus Master Plan indicates the long-range need for the college to acquire additional property near campus which will eventually be used for parking. The property listed below is immediately adjacent to the campus.

	<u>Appraisal Value</u>	<u>Purchase Price</u>
Property (1014 4 th St.)	\$60,000	\$66,000

Because this property includes a two bedroom living unit, it will be incorporated into the Housing/Food Service auxiliary until such time that it can be converted into parking. Funds for the acquisition will be borrowed and repaid from the income generated from the rental and with funds from the Campus Activity Center project budget.

Discussion

Because of the College's more immediate need for replacement parking required by the upcoming construction of the Campus Activity Center, property owners have placed higher values on their property. Thus, the price of \$66,000 is above the market appraisal on this property. Initially the seller was asking \$77,000 for the property.

The college administration seeks authority to:

Complete the loan agreement, by using the First Security Loan Agreement approved by the Board in January 1999, for the purchase of the property. The loan amount will not exceed \$66,000.

Complete the purchase agreement for the property.

Authorization is also requested for the college Vice President for Administrative Services and Bursar to execute the loan and purchase agreement on behalf of the Board.

Fiscal Impact

The college will borrow the funds necessary for the purchase of the property and will repay the loan with the revenue from the rental of the house and with funds from the Campus Activity Center project budget.

Finance Committee Agenda

June 17-18, 1999

Routine Action Items

ITEM #2.f.1

Idaho School for the Deaf and the Blind

4.0 FINANCE COMMITTEE

4.1 Approval of FY2000 Operating Budget (Item 2.f.2)

4.9 Audits and Financial Reports

ISDB submits the attached record of the Student Activity Funds for Board review in accordance with Idaho Code 33-705. (Item 2.f.3)

Finance Committee Agenda

June 17-18, 1999

Routine Action Items

ITEM #2.f.3

Idaho School for the Deaf and the Blind (cont.)

ATTACHMENT B

STUDENT ACTIVITY FUNDS AS OF MAY 24, 1999

BELOW LISTING OF STUDENT ACTIVITY FUNDS IS A REPORT
SUBMITTED TO STATE BOARD OF EDUCATION IN ACCORDANCE
WITH IDAHO CODE 33-705

	BALANCE	BALANCE	CHANGE
	03-22-99	05-24-99	INCREASE
			(DECREASE)
	109.55	78.68	(30.87)
SALES TAX	4,467.54	4,542.54	75.00
WSBC	2,191.90	2,191.90	0.00
ATHLETIC APPAREL	333.49	(111.21) *	(444.70)
CHEERLEADING	505.07	505.07	0.00
CLASS OF 99	382.50	6.68 *	(375.82)
CLASS OF 2000	140.21	112.16	(28.05)
CLASS OF 2001	12.00	12.00	0.00
CLASS OF 2002	12.00	43.75	31.75
MAINT. BREAK ROOM	29.14	82.31	53.17
COTTAGE FUND	298.07	298.07	0.00
ELEM ACTIVITIES	61.65	61.65	0.00
FHA ACCT	131.61	131.61	0.00
PARENTS ADVISORY COM	168.61	168.61	0.00
M.S. STUDENT COUNCIL	50.62	50.62	0.00
H.S. STUDENT COUNCIL	385.53	385.53	0.00
JOURNALISM	584.98	584.98	0.00
JR NAD	294.98	294.98	0.00
ED STAFF POP MACH	1,282.60	1,013.10 *	(269.50)
HEALTH & WELLNESS	290.00	190.00	(100.00)
STUDENT ACT. FUND	3,982.34	4,332.08	349.74
WORK EXP (PREV CANDY)	319.73	367.22	47.49
SCHOOL PICTURES	0.00	0.00	0.00
STUDENT BOOK STORE	129.05	6.15	(122.90)
ACCELERATED READER	81.82	81.82	0.00
DRAMA FUND	270.01	270.01	0.00
ADVENTURERS	21.94	21.94	0.00
CLASS 8-B M A BATON	11.91	11.91	0.00
SUMMER DEAF CAMP	1,961.41	2,961.41 *	1,000.00
VOLLEYBALL FUND	267.00	267.00	0.00
GREENHOUSE FUND	(43.47)	(43.47)	0.00
J. WILDING SCHOLARSHIP	200.00	200.00	0.00
ART FUND	195.66	195.66	0.00
TECH CLUB (VIDEO YB)	80.86	80.86	0.00
YEARBOOKS	1,937.16	1,994.28	57.12
LIONS WINTER CAMP	52.17	52.17	0.00
HRG AID FUND-MOLDS	61.87	48.82	(13.05)
HA GIFT F/HRG CM TCH	197.55	197.55	0.00
HEARING AID REPAIRS	231.91	3.21	(228.70)
PERS. STUDENT ACCT	1,112.17	828.69	(283.48)
STUDENT AID	1,813.87	1,655.31	(158.56)
	=====	=====	=====
TOTALS.....	24,617.01	24,175.65	(441.36)
	=====	=====	=====

* Athl. Apparel - Paid for Raptorwear

* Sr. Class Fund - Refund their money for senior trip.

* Ed. Staff - Social Fund paid for retirees gifts.

* Summer Deaf Camp - Registration fees for summer deaf camp.

Finance Committee Agenda

June 17-18, 1999

This page intentionally blank.

Finance Committee Agenda

June 17-18, 1999

Routine Action Item

ITEM #2.g.1

Division of Vocational Education

4.0.0 FINANCIAL AFFAIRS

4.1.0 Budget and Budget Transfers

The State Division of Vocational Education requests approval of the FY 2000 Operating Budget for the Postsecondary Vocational-Technical System. Approval of the Operating Budget approves all salary adjustments for institutional employees, new positions, and institutional operating and capital outlay expenditures.

The following schedules are provided for review:

“Fiscal Year 2000 Budget Overview” (Item 2.g.2)

“Availability and Allocation of Funds for FY 2000” (Item 2.g.3)

“Operating Budget Distribution by Activity and Expense Standard Class” (Item 2.g.4)

“Operating Budget Personnel Costs Summary” (Item 2.g.5)

“Operating Budget Personnel Costs Position Change Schedule” (Item 2.g.6)

Finance Committee Agenda

June 17-18, 1999

Routine Action Item

ITEM #2.g.2

Division of Vocational Education (cont.)

POSTSECONDARY VOCATIONAL-TECHNICAL SYSTEM FISCAL YEAR 2000 BUDGET OVERVIEW

The allocation and reallocation of funds for the FY 2000 Postsecondary Vocational-Technical System is based on the Division of Vocational Education Strategic Plan for Vocational-Technical Education in Idaho for FY1999-2002, as well as Board and legislative intent.

The FY 2000 budget reflects an overall increase of \$2,133,300 or 8.11% in the state general fund allocation. The increase includes \$1,200,000 for capacity building/workload adjustment, \$4,800 for State Controller fees at EITC, \$610,000 for CEC at 3%, \$230,000 for replacement operating expenses and \$110,000 for capital outlay replacement.

One-Time Funding

None included in the FY 2000 Operating Budget.

Enhancements

None included in the FY 2000 Operating Budget.

Capacity Building/Workload Adjustment

These funds were used to establish 22.59 new FTP to expand the technical colleges' programs and enrollment capacities.

Reallocations

Personnel costs and operating expense funds of \$136,203 were reallocated to cover 1.08 new FTP and an increase in capital outlay expenditures. Personnel costs were increased by \$173,308 to cover \$30,297 for salary costs for new FTP and \$143,011 for unfunded personnel cost rollups. Operating expenses were reduced by \$106,714 and capital outlay was increased by \$69,609.

Finance Committee Agenda

June 17-18, 1999

This page intentionally blank.

Finance Committee Agenda

June 17-18, 1999

This page intentionally blank.

Finance Committee Agenda

June 17-18, 1999

This page intentionally blank.

Finance Committee Agenda

June 17-18, 1999

Routine Action Items

ITEM #2.k.1

Idaho State Library

4.0 Financial Management

4.1 Approval of FY2000 Operating Budget

A. Approval is requested for the FY2000 Operating Budget as summarized below:

	FY99 <u>Budget</u>	FY00 <u>Budget</u>	% <u>Incr.</u>
By Program:			
State Library Services	3,533,100	3,724,000	5.4 %
Library Improvement Acct.	<u>0</u>	<u>0</u>	<u>0 %</u>
Total	3,533,100	3,724,000	5.4 %
By Fund Source:			
General Fund	2,465,300	2,531,700	2.7 %
Federal Funds	992,600	992,600	0
Misc. Revenues	<u>75,200</u>	<u>199,700</u>	<u>165.6</u>
Total	3,533,100	3,724,000	5.4 %
By Standard Class:			
Personnel Costs	1,779,200	1,834,300	3.1 %
Operating Expenses	911,000	1,009,800	10.8 %
Capital Outlay	207,000	222,000	7.2 %
Trustee/Benefit Payments	<u>635,900</u>	<u>657,900</u>	<u>3.4 %</u>
Total	3,533,100	3,724,000	5.4 %
FTE	44.85	45.00	0.0 %

OVERVIEW

The FY99 appropriation includes an increase of \$200,000 in operating for the Statewide Database Licensing Project. The balance of the funds for this project (\$265,000) were appropriated to the Department of Education as part of the technology budget.

The FY2000 appropriation, in HB375, transfers \$265,000 to the Library Services Improvement Account from the Department of Education technology budget to continue the statewide database licensing project (Lili-D). The increase in miscellaneous revenues reflects the second of a three year grant from the J.A. & Kathryn Albertson Foundation supporting the "Read to Me" project.

Notes:

FY99 budget per House Bill 812 and Senate Bill 1555

FY00 budget per House Bill 328 and House Bill 375

Finance Committee Agenda

June 17-18, 1999

This page intentionally blank.

Finance Committee Agenda

June 17-18, 1999

This page intentionally blank.

Finance Committee Agenda

June 17-18, 1999

Nonroutine Action Item

ITEM #3.3.1

Boise State University

4.8 Contracts for Services/Agreements/Authorizations

4.81 Refunding 1994 Student Fee Revenue Bonds

Subject: Authorization for issuance of Bonds to refund a portion of outstanding Series 1994 Student Fee Revenue Bonds.

Background: Board approval is requested to issue approximately \$4,360,000 in tax-exempt revenue bonds to refund \$4,300,000 outstanding Series 1994 Student Fee Revenue Bonds to reduce debt service costs.

Discussion: The University expects to obtain an "A+" rating on the Bonds, and depending on interest rates and bond insurance costs, the University may find it advantageous to purchase bond insurance to result in a rating of "AAA/AAA" on the Bonds. Action on this agenda item consists of a motion to approve a Supplemental Resolution for the Bonds, the title of which is shown on Appendix A.

Fiscal Impact: Summary Estimated Sources and Uses of Funds

Refund 1994 Bonds	\$4,300,000
Costs of Issuance	60,000
TOTAL	4,360,000

Significant savings to Boise State University will be attained by this refunding. The exact amount of the savings will be known at the State Board meeting.

STAFF COMMENTS:

This bond issue supports the Library Expansion project of 1994. To maximize the dollars available at the time, instead of BSU's Foundation funding the improvements, BSU issued revenue bonds with the matriculation fee as pledged revenue. The Foundation purchased Treasury notes that provided a cash flow to replace the matriculation fees used for bond payments. It is unclear from the agenda item whether the Treasury notes will continue to pay the refunding bonds or whether funds from the matriculation fee will be utilized.

COMMITTEE ACTION:

A motion to recommend to the Board to approve the request from Boise State University to issue Bonds to refund a portion of outstanding Series 1994 Student Fee Revenue Bonds.

Moved by_____, Seconded by_____, Carried, Yes___No___

BOARD ACTION:

A motion to approve the request from Boise State University to issue Bonds to refund a portion of outstanding Series 1994 Student Fee Revenue Bonds.

Moved by_____, Carried, Yes___No___

Finance Committee Agenda

June 17-18, 1999

Nonroutine Action Item
Boise State University

ITEM #3.3.2

APPENDIX A

Boise State University
Harry E. Neel, Jr.
June 17-18, 1999

RESOLUTION

A SUPPLEMENTAL RESOLUTION OF THE STATE BOARD OF EDUCATION
AUTHORIZING THE ISSUANCE AND SALE OF \$4,360,000** STUDENT FEE REFUNDING
REVENUE BONDS OF THE BOARD OF TRUSTEES OF BOISE STATE UNIVERSITY;
AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE
AGREEMENT AND PROVIDING FOR OTHER MATTERS RELATING TO THE
AUTHORIZATION, ISSUANCE, SALE AND PAYMENT OF THE SERIES 1999 BONDS.

****exact amount to be announced at the Board meeting**

Finance Committee Agenda

June 17-18, 1999

Nonroutine Action Item

ITEM #3.4

Boise State University

4.8 Contracts for Services/Agreements/Authorizations

4.83 Approval of PeopleSoft Financing Agreement

Subject: Boise State University requests approval to enter into a financing agreement with PeopleSoft, USA, Inc. to fund up to \$5,300,000 in future enhancement implementation and prepaid maintenance support at an annual rate of 5.25% over a five year period.

Background: Boise State University received approval from the State Board of Education in June 1997 to purchase the PeopleSoft product. The implementation of the various modules, which includes Financial, Human Resources/Payroll, Student Services, and Advancement, has proceeded within the established timetable.

Discussion: The successful implementation of the Financial, Human Resource/Payroll and Student Services modules has addressed Y2K issues in these major areas. Boise State University now wishes to implement the Advancement module and enhancements to the existing modules as it now focuses on improved services to students, faculty and staff.

Fiscal Impact: Debt service for this financing is derived from sources already designated for this project, including operational savings within the Office of Information Technology, student technology fee revenue and various local fund sources. By prepaying the maintenance support, Boise State University locks into today's rates and avoids the anticipated 10% annual rate increase over the next five years and takes advantage of other prepaid discounts. No student fee increases are required.

STAFF RECOMMENDATIONS:

Approve the request.

COMMITTEE ACTION:

A motion to recommend to the Board to approve the request from Boise State University to enter into a financing agreement with PeopleSoft, USA, Inc. to fund up to \$5,300,000 in future enhancement implementation and prepaid maintenance support at an annual rate of 5.25% over a five year period.

Moved by_____, Seconded by_____, Carried, Yes___No___

BOARD ACTION:

A motion to approve the request from Boise State University to enter into a financing agreement with PeopleSoft, USA, Inc. to fund up to \$5,300,000 in future enhancement implementation and prepaid maintenance support at an annual rate of 5.25% over a five year period.

Moved by_____, Carried, Yes___No___

Finance Committee Agenda

June 17-18, 1999

This page intentionally blank.

Finance Committee Agenda

June 17-18, 1999

Action Item

ITEM #4

SUBJECT:

FY2000 Allocation of Idaho Council for Technology in Learning (ICTL) funds.

BACKGROUND:

Senate Bill No. 1275 appropriated \$1,000,000 to the Board for teacher training. Legislative intent stated "that the State Council for Technology in Learning make recommendations, subject to review and approval by the State Board of Education, on the use and allocation of funds appropriated for teacher training...". Item 4.a contains ICTL's recommendation for the allocation of the FY2000 funds.

DISCUSSION:

For FY98 and FY99, of the amount allocated to Idaho State University, \$25,000 was designated to support Eastern Idaho Technical College efforts to provide network training to the schools.

FISCAL IMPACT:

Allocates \$1,000,000 for teacher training in technology for FY2000.

STAFF RECOMMENDATIONS:

Approve the allocation.

COMMITTEE ACTION:

A motion to recommend approval of the allocation of ICTL funds for teacher training as recommended by the ICTL and displayed in Item 4.a.

Moved by_____, Seconded by_____, Carried, Yes___No___

BOARD ACTION:

A motion to approve the allocation of ICTL funds for teacher training as recommended by the ICTL and displayed in Item 4.a.

Moved by_____, Carried, Yes___No___

Finance Committee Agenda

June 17-18, 1999

ITEM #4.a

IDAHO COUNCIL FOR TECHNOLOGY IN LEARNING

April 14, 1999

SUBJECT: FY 2000 Teacher Training Budget

BACKGROUND:

FY 2000 Teacher Training Budget as approved by the SBOE and submitted to JFAC compared to FY 99 and FY 98 funding.

	FY 2000	FY 99	FY 98
BSU	\$250,000	\$250,000	\$233,500
ISU	\$275,000	\$300,000	\$280,200
LCSC	\$120,000	\$120,000	\$107,400
UI	\$170,000	\$170,000	\$163,500
CSI	\$ 80,000	\$ 80,000	\$ 74,700
NIC	\$ 80,000	\$ 80,000	\$ 74,700
EITC	\$ 80,000		
IEPTV	\$ 84,883		\$ 66,000
Total:	\$1,139,883	\$1,000,000	\$1,000,000

DISCUSSION:

The Joint Finance Appropriation committee funded \$1,000,000 for teacher training in FY 2000. The ICTL must decide on a new apportionment recommendation to the State Board to be considered in the June meeting. Payments to the colleges will be made by the SBOE after July 1, 1999.

RECOMMENDATIONS:

None



ICTL ACTION:

Motion # 1

It was moved by ICTL member Tom Farley and seconded by ICTL member Pete Black on April 14, 1999 that the FY2000 Teacher Training Apportionment of \$1,000,000 be divided as follows:

BSU	\$247,500
ISU	\$272,500
LCSC	\$117,500
UI	\$167,500
CSI	\$ 77,500
NIC	\$ 77,500
EITC	\$ 40,000
IPTV	-0-
Total:	\$1,000,000

Motion passed unanimously.

Finance Committee Agenda

June 17-18, 1999

Action Item

ITEM #5

SUBJECT:

FY2000 Allocation of the Governor's College & Universities Excellence Initiative funds.

BACKGROUND:

The Governor recommended and the legislature funded a "program to enhance the quality of four-year post-secondary education institutions. Institutions must attract and retain faculty in highly competitive areas and these funds are to recognize that need. Individual faculty and staff would be rewarded for increased productivity, innovation and overall quality of performance in the most critical areas of the institution's program. These funds are to be distributed to the institutions as competitive grants and each institution will be expected to provide a minimum matching amount of \$1 from internal resources for each \$1 appropriated for this purpose. Continuation of future funding will be dependent upon the quality of the institution's plan to address the critical needs and the effectiveness of their performance." A request for proposals was made on April 30, 1999. The proposals have been received and are in the process of being reviewed.

DISCUSSION:

The Presidents Council provided initial maximums on the level of funding in the following manner: UofI 34%, ISU 28%, BSU 28% and LCSC 10%. However, institutions will not be funded at this level if they fail to meet all the criteria of the grant and/or the project fails to meet intended objectives. Institutions may apply for more than the maximum percent allowed by submitting additional or expanded projects in case other institutions fail to meet the criteria or meet the matching requirements. The Governor will make a recommendation on the funding of the proposals.

FISCAL IMPACT:

Allocates \$1,300,000 of Governor's College and Universities Excellence Initiative Funds.

STAFF RECOMMENDATIONS:

Approve the recommended allocation of funds.

COMMITTEE ACTION:

A motion to recommend the allocation of \$1,300,000 to BSU, ISU, UofI and LCSC for the Governor's Excellence Initiative as recommended by the Governor.

Moved by_____, Seconded by_____, Carried, Yes___No___

BOARD ACTION:

A motion to the allocate \$1,300,000 to BSU, ISU, UofI and LCSC for the Governor's Excellence Initiative as recommended by the Governor.

Moved by_____, Carried, Yes___No___

Finance Committee Agenda

June 17-18, 1999

This page intentionally blank.

Finance Committee Agenda

June 17-18, 1999

Action Item

ITEM #6

SUBJECT:

FY2000 Allocation of Comprehensive Literacy Act funds

BACKGROUND:

Senate Bill No. 1273 appropriating funds to the college and universities contains intent language "Of the amount appropriated ..., \$500,000 shall be used for teacher preparation activities associated with Idaho's Comprehensive Literacy Act as prescribed in Section 33-1207A, Idaho Code, as added by Section 1, House Bill No. 178, as enacted by the First Regular Session of the Fifty-fifth Idaho Legislature."

DISCUSSION:

The Presidents Council recommends that the funds be allocated equally among the four senior institutions, each receiving \$125,000 for FY2000. The commitment and intent is to support and, as needed, reform institutional education programs by hiring reading specialists as faculty. These faculty must be able to provide instruction in reading as reflected in the SBOE adopted "The Idaho Comprehensive Literacy Act: Every Child's Birthright."

FISCAL IMPACT:

Allocates the \$500,000 Literacy Funds to Lewis-Clark State College and the universities for a Reading Initiative.

STAFF RECOMMENDATIONS:

Approve the recommended allocation.

COMMITTEE ACTION:

A motion to recommend the allocation of the \$500,000 Literacy Funds equally among BSU, ISU, UofI and LCSC.

Moved by_____, Seconded by_____, Carried, Yes___No___

BOARD ACTION:

A motion to allocate the \$500,000 Literacy Funds equally among BSU, ISU, UofI and LCSC.

Moved by_____, Carried, Yes___No___

Finance Committee Agenda

June 17-18, 1999

This page intentionally blank.

Finance Committee Agenda

June 17-18, 1999

Action Item

ITEM #7

SUBJECT:

Approval of FY2000 Operating Budgets for College & Universities

BACKGROUND:

Lewis-Clark State College and the Universities receive appropriated funds for the general education program, vocational education program, agricultural research and extension, health programs and special programs. The lump-sum appropriations for the general education program and the postsecondary vocational program were allocated to the institutions at the April Board meeting. The Board also approved student fee rate changes in April that generated additional student fee revenue. Based on the appropriations and the revised student fee revenue, the institutions present their operating budgets for approval.

DISCUSSION:

By approving the operating budget, the Board approves: 1) allocation of funds by program and expenditure classification; 2) all salary changes reflected in the FY2000 operating budget that are consistent with the FY2000 Salary Guidelines (approved by the Board in April); 3) changes to positions for FY2000 (additional) and; 4) capital projects identified on the supporting schedules. For each program/institution, a budget overview followed by an "Availability+/Allocation of Funds" schedule is presented that highlights the changes from FY99 to FY00. Additional schedules are presented providing detailed changes.

FISCAL IMPACT:

Provides the spending plan for FY2000 for the programs administered by LCSC and the universities.

STAFF RECOMMENDATIONS:

Approve the recommended operating budgets.

COMMITTEE ACTION:

A motion to recommend approval of the operating budgets for FY2000 for the college and universities as presented in Pages 7.3 through 7.92.

Moved by_____, Seconded by_____, Carried, Yes___No___

BOARD ACTION:

A motion to approve the operating budgets for FY2000 for the college and universities as presented in Pages 7.3 through 7.92.

Moved by_____, Carried, Yes___No___

Finance Committee Agenda
June 17-18, 1999

This page intentionally blank.

Finance Committee Agenda

June 17-18, 1999

This page intentionally blank.

Finance Committee Agenda

June 17-18, 1999

This page intentionally blank.

Finance Committee Agenda
June 17-18, 1999

This page intentionally blank.

Finance Committee Agenda
June 17-18, 1999

This page intentionally blank.

Finance Committee Agenda
June 17-18, 1999

There are no pages 7.41 through 7.50.

Finance Committee Agenda

June 17-18, 1999

This page intentionally blank.

Finance Committee Agenda

June 17-18, 1999

This page intentionally blank.

Finance Committee Agenda

June 17-18, 1999

This page intentionally blank.

Finance Committee Agenda

June 17-18, 1999

This page intentionally blank.

Finance Committee Agenda

June 17-18, 1999

Action Item

ITEM #8

SUBJECT:

Renew Audit Contract with Deloitte & Touche LLP.

BACKGROUND:

Deloitte & Touche LLP (D&T) was awarded the audit contract in November 1993 for a period commencing January 1, 1994 and ending December 31, 1999. The contract can be renewed for either another five year period or for a single year if both the Board and D&T agree. The specific terms of the contract, if renewed, would be the same as the current contract. The audit contract covers auditing services to Boise State University, Idaho State University, University of Idaho, Lewis-Clark State College and Eastern Idaho Technical College.

DISCUSSION:

The institutions have indicated support for the contract to be renewed. They indicated that D&T is competent in completing all aspects of the scope of auditing (financial statements, letters of comments and recommendations, federal single audit reports and other services contracted directly with the colleges and universities). The institutions feel D&T do a great job of holding the costs down while providing overall audit efficiency. Eastern Idaho Technical College indicated concern with the fees charged.

FISCAL IMPACT:

Bidding the contract would take considerable time and effort of OSBE and institutional staff (developing the specifications, evaluating the bids, interviews, etc.). Renewing the contract involves negotiating the fees with D&T.

STAFF RECOMMENDATIONS:

Renew the audit contract with Deloitte & Touche LLP for five years. The current contract will expire at the end of the five year renewal period which means the contract must be bid for auditing services beyond December 31, 2004.

COMMITTEE ACTION:

A motion to recommend the renewal of the auditing services contract with Deloitte & Touche LLP, under the conditions of the current contract, for five years, ending December 31, 2004.

Moved by_____, Seconded by_____, Carried, Yes___No___

BOARD ACTION:

A motion to renew the auditing services contract with Deloitte & Touche LLP, under the conditions of the current contract, for five years, ending December 31, 2004.

Moved by_____, Carried, Yes___No___

Finance Committee Agenda

June 17-18, 1999

This page intentionally blank.

Finance Committee Agenda

June 17-18, 1999

Action Item

ITEM #9

SUBJECT:

Intercollegiate Athletics - Revenue

BACKGROUND:

The Finance Committee has been reviewing the Intercollegiate Athletic budgets at the four institutions since November 1998. Particular interest has been focused on understanding the sources of revenue used to fund this program. With this full disclosure on the sources of revenue, the Finance Committee members would like to place limits on the amount of revenue that can be generated from selected sources. Finance Committee members met with the presidents during the May Board meeting to discuss this topic and asked the Presidents Council to recommend a policy on limiting revenue sources for the June meeting.

DISCUSSION:

Item 9.a contains the revised schedule on the categories of revenue that fund athletics. The Presidents Council met on June 1, 1999. The presidents discussed a proposal to clearly state that accountability for athletics is vested in the president of each institution, including responsibility for full disclosure. The following points were discussed as appropriate to an athletic plan: 1) Reiterate the importance of the athletic programs with regard to specific areas such as viability, gender equity, NCAA certification, with other areas of importance still to be discussed; 2) Each institution should develop a "formula" for financial guidance; 3) Each president should propose a structure unique to the circumstances of his institution; 4) The "formula" should identify a percentage of total revenues (all sources) that will cap the athletics budget as a percentage of the total institution's budget.

FISCAL IMPACT:

STAFF RECOMMENDATIONS:

Determine if proposed policy changes accomplish the desired results.

COMMITTEE ACTION:

If the proposed policies are accepted, recommend those policy changes for first reading.

Moved by_____, Seconded by_____, Carried, Yes___No___

BOARD ACTION:

Dependent on committee's action.

Moved by_____, Carried, Yes___No___

Finance Committee Agenda

June 17-18, 1999

This page intentionally blank.

Finance Committee Agenda

June 17-18, 1999

This page intentionally blank.

Finance Committee Agenda

June 17-18, 1999

Action Item

ITEM #10

SUBJECT:

FY2001 Budget Request - Enhancement Requests

BACKGROUND:

During the March Board meeting, the Board had its initial discussion on the FY2001 budget request. The focus of the discussion was on the above maintenance of current operations (MCO) requests or the enhancement requests (the State's budgeting process is a base plus MCO plus enhancement process with the State guidelines directing the MCO request). During the meeting, the Board established a limit on enhancement requests of 4% of the general account base (noted exceptions). Also, the presidents and agency directors were asked to recommend to the Board request categories which were presented in April and approved. Request guidelines were established following that meeting (Item 10.a).

DISCUSSION:

Following the guidelines, the institutions and agencies have submitted their FY2001 enhancement request (Item 10.a). A schedule summarizing and indexing the individual requests precedes the detailed requests. The MCO request will be calculated during the summer and the full-budget request for FY2001 will be presented to the Board for approval in August.

FISCAL IMPACT:

Requests for new funds for FY2001.

STAFF RECOMMENDATIONS:

Review the requests. If it is determined the requests fit the guidelines, approve the enhancement part of the FY2001 request process.

COMMITTEE ACTION:

A motion to recommend the approval of the FY2001 enhancement requests as presented in Pages 10.5 through 10.148..

Moved by_____, Seconded by_____, Carried, Yes___No___

BOARD ACTION:

A motion to approve the FY2001 enhancement requests as presented in Pages 10.5 through 10.148.

Moved by_____, Carried, Yes___No___

State Board of Education FY2001 Budget Request Guidelines

Background:

The State Board of Education is responsible for submitting approved budget requests for institutions, agencies and programs under its supervision and/or governance to the executive and legislative branches of government. The budget requests are developed according to the Division of Financial Management's Budget Development Manual. The development process builds from the budget base, then adds maintenance of current operations (MCO) and enhancements. The MCO request uses factors in the Development Manual to calculate the cost of maintaining operations (salary adjustments, inflationary increases, enrollment workload adjustments, etc.). The enhancement requests represent funding for unique issues, initiatives or programs identified by the institutions or agencies. While most of the request is developed simply by mechanical calculations according to the Development Manual, the Board's major focus is on the enhancement requests.

The Board has discussed the guidelines for the development of the FY2001 budget request with institutional presidents and agency directors (March and April meetings), and established the timetable for reviewing and approving the individual requests. These items are identified in the following guidelines.

Operating Budget Enhancement Request Guidelines:

Enhancement requests will be limited to 4% of the general account budget base, except the base for the college and universities will be general account and endowment funds, and the base for Vocational Rehabilitation will be total funds. Enhancement requests must be in priority order. Specific enhancement categories are:

Post Secondary Education Programs: (Vocational Education-Post Secondary Program, Community Colleges, College and Universities, Health Programs and Special Programs)

A. Salary Competitiveness: (25% of total enhancement requests)

The 1994 HayGroup Compensation Survey (updated for FY00 salaries) and/or peer institutions identified by the institutions, will be used for salary comparisons for faculty and other nonclassified positions to support the request. The peer group used and the detail calculations must be submitted to the Board office to support the request.

B. Infrastructure: (50% of total enhancement requests)

Infrastructure is broadly defined as needs to support the instruction, research and public service programs. This could include technology, physical facilities needs, operating budget support, institutional support, etc.

Finance Committee Agenda

June 17-18, 1999

ITEM #10.a.2

C. Role & Mission: (25% of total enhancement requests)

Requests for critical issues unique to the role & mission of each institution or program.

D. One-Time Requests: (Limits to be developed)

Requests for special one-time needs to respond to potential one-time funding opportunities.

Agencies and Other Programs: (OSBE, SD&B, Vocational Education, IPTV, State Library, Historical Society, Vocational Rehabilitation and Special Programs)

A. Role & Mission: (100% of enhancement requests)

Because the needs of the agencies and programs are unique and have limited commonality, requests fall within one general category.

B. One-Time Requests: (Limits to be developed)

Requests for special one-time needs to respond to potential one-time funding opportunities.

Capital Budget Requests:

The FY2001 Capital Budget Requests will be developed according to the guidelines in the Budget Development Manual and provided by the Division of Public Works (DPW). DPW's guidelines require the submission of a preliminary list of requests by June 15, 1999 and the detailed forms by July 15, 1999. These will be provided to DPW with the understanding that the Board will not approve a prioritization of the projects until the August Board meeting. The list of new or substantially renovated or remodeled projects category only will be presented to the Board in June.

Timetable:

The Finance Committee/Board will review and make recommendations on the FY2001 requested enhancements at the June 17-18, 1999 meeting (the full budget request including MCO will be presented at the August 19-20, 1999 meeting). The following material will be included on the June Finance Committee agenda:

B-8 Summary

B-8.1a - Description/Justification of each decision unit (enhancement requests only)

Major Capital Project List

The above material needs to be submitted to this office with your regular agenda material, which is due **May 25, 1999**.

Finance Committee Agenda
June 17-18, 1999

This page intentionally blank.

Finance Committee Agenda
June 17-18, 1999

This page intentionally blank.

Finance Committee Agenda

June 17-18, 1999

Action Item

ITEM #11

SUBJECT:

Status Report on the Use of Increased Nonresident Fee Waivers.

BACKGROUND:

In an attempt to increase enrollment in programs that currently have capacity, the Board endorsed a recommendation from the Presidents Council that would increase the number of nonresident tuition waivers for disadvantaged or deserving students from the current policy level of one percent of the institution's full-time equivalent enrollment to three percent. The Board approved first reading of the proposed change during the January 1999 meeting but during the final reading in March 1999, questions were raised concerning the use of these waivers. The focus of the concerns centered on defining capacity and what students would be eligible for the waivers (students in engineering and information technology only?). The institutions indicated they were in the process of offering recruiting packages to students that include waivers based on the proposed policy change. The institutions indicated they would provide a report in June highlighting the number of nonresident tuition waivers they have offered and in which disciplines. The final reading of the proposed policy change was tabled until November when a final report will be made on the use of these increased waivers along with positive and negative implications of providing these waivers.

DISCUSSION:

The number of additional nonresident tuition waivers allowed under the proposed policy change is identified on Item 11.a (Line 13). The institutions will present their report at the meeting.

FISCAL IMPACT:

The fiscal impact of the potential policy change is identified on Item 11.a (see footnote).

STAFF RECOMMENDATIONS:

Determine if the use of the waivers is consistent with Board intent.

COMMITTEE ACTION:

A motion to accept a report on the planned use of the increased number of nonresident tuition waivers.

Moved by_____, Seconded by_____, Carried, Yes___No___

BOARD ACTION:

Report to the Board the committee's discussion on this topic.

Finance Committee Agenda
June 17-18, 1999

This page intentionally blank.

Finance Committee Agenda
June 17-18, 1999

This page intentionally blank.

Finance Committee Agenda

June 17-18, 1999

Discussion Item

ITEM #12

SUBJECT:

Y2K Status Report

BACKGROUND:

The Finance Committee has requested regular reports on preparation activities the institutions are undertaking to handle potential computer problems associated with January 1, 2000. The Department of Administration has a Y2K coordinator who is in the process of visiting the campuses to review activities. He is unable to attend the meeting but hopefully will be able to provide a report that will be discussed during the meeting. In addition, institutions will be asked to summarize the activities they are performing to be prepared.

DISCUSSION:

The known problems with Y2K can be addressed. The challenge is to identify less obvious potential problems early in the process.

FISCAL IMPACT:

NA

STAFF RECOMMENDATIONS:

Discuss information presented to determine if additional action is necessary.

COMMITTEE ACTION:

Based on the discussion, motions could be made to request additional information or studies.

BOARD ACTION:

Since this is a committee discussion, no Board action necessary unless the committee seeks Board action.

Finance Committee Agenda

June 17-18, 1999

This page intentionally blank.

Finance Committee Agenda

June 17-18, 1999

Information Item

ITEM #13

Lewis-Clark State College

SUBJECT:

Increase to the Multi-Purpose Campus Activity Center Budget

BACKGROUND:

Funding for this project was originally requested in July 1990 for the Fiscal Year 1992 budget year. The construction budget for this project was approved before architectural planning was to a point that actual costs were known. The planning is now at a point where cost estimates are possible. At this point, the building is over budget. LCSC has already taken steps to decrease the costs of the project by modifying it.

LCSC has requested the Executive Director to approve an increase of \$540,000. This increase is less than five percent of the total project budget of \$14,250,000. LCSC will finance the increase in two ways:

Change the period for bonds to be financed by existing student fees from twenty to twenty-five years, and

Deduct \$28,000 per year from its facility fund, which is an ongoing fund financed by student fees. This will raise student fee revenue dedicated to the project from \$130,000 to \$158,000 annually.

The changes will permit LCSC to issue bonds valued at \$2,040,000 rather than \$1,500,000 as it had originally intended.

Finance Committee Agenda

June 17-18, 1999

This page intentionally blank.